

# MINUTES<sup>1</sup>

## FIRST REGULAR QUARTERLY MEETING OF THE BOARD OF DIRECTORS OF THE COLORADO RIVER WATER CONSERVATION DISTRICT

January 21-22, 2003

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Pursuant to notice duly and properly given, the First Regular Quarterly Meeting of the Board of Directors of the Colorado River Water Conservation District (CRWCD) was held on Tuesday and Wednesday, January 21-22, 2003, at the Hotel Colorado, 526 Pine Street, Glenwood Springs, Colorado.

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### **Directors participating during all or part of the meeting:**

Paul Ohri, President	Steve Mathis, Vice President
Wade Collins	Peter A. Kasper
Warner Dewey	Thomas A. Long
T. Wright Dickinson	Thomas R. Sharp
Thomas S. Dunlop	David H. Smith
Bill Ferguson	Thomas C. Stone
Kathryn H. Hall	William S. Trampe
J. Richard Hunt	

### **Others participating during all or part of the meeting:**

Eric Kuhn, Secretary/General Manager, CRWCD  
Peter Fleming, General Counsel, CRWCD  
Jill McConaughy, Associate Counsel, CRWCD  
Dan Birch, Project Development Manager, CRWCD  
Laura Hines, Business Manager, CRWCD  
David Merritt, Chief Engineer, CRWCD  
Chris Treese, Manager, External Affairs, CRWCD  
Laurie DePaolo, Administrative Assistant, CRWCD  
Cheryl Dunlap, Accountant, CRWCD  
David Kanzer, Senior Water Resources Engineer, CRWCD  
Don Meyer, Water Resources Engineer, CRWCD  
Martha Moore, Administrative Assistant, CRWCD  
Lorra Nichols, Legal Assistant/Paralegal, CRWCD  
Frances Padilla, Administrative Assistant, CRWCD  
Jim Pearce, Senior Water Resources Specialist, CRWCD  
Peter Roessmann, Water Education Specialist, CRWCD  
Jennifer Sutherland, Records/Information Specialist, CRWCD  
Ray Tenney, Senior Water Resources Engineer, CRWCD  
Earline West, HR/Finance Specialist, CRWCD  
Robert Anderson, Grand County Board of County Commissioners

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<sup>1</sup> A complete record of the meeting has been made on audio cassette tapes. The tapes and the associated staff memoranda are the only complete record of the meeting. These written summaries are intended to record decisions or actions taken by the Board and as an aid to research and a guide to the tapes. The motions described herein may not necessarily represent a verbatim transcription. The tapes are available for listening at the CRWCD during regular office hours. Arrangements may be made to make copies of the tapes or written transcripts of specific agenda items at the requestor's expense. Notes from the meeting may also be reviewed at the CRWCD offices during regular office hours.

Bill Badini, HDR-Hydro-Met Services  
Scott Balcomb, Balcomb & Green, P.C.  
Eric Berry, Town of Yampa  
Caroline Bradford, Eagle River Watershed Council  
Travis Bray, Denver Water  
Jeff Bryant, Colorado Resort Net  
Stanley Cazier, Esq., Cazier & McGowan  
Larry Clever, Ute Water Conservancy District  
Rebie S. Collins, Independent Saguache County Rancher  
Kristine Crandall, Roaring Fork Conservancy  
Lurline Curran, Grand County Commissioner  
Kathleen Curry, Upper Gunnison River Water Conservancy District  
Duane Dailey, Grand County Commissioner  
Jeff Dysart, Alpine Angling  
Scott Fifer, Resource Engineering, Inc.  
Nicole Garrimone, Leavenworth & Karp, P.C.  
Paul von Guerard, United States Geological Survey  
Mike Gross, Consultant  
Gary Hansen, Blue Sky Adventures  
Karl J. Hanlon, City of Glenwood Springs  
Bob Harris, Blazing Adventures  
Taylor Hawes, Northwest Colorado Council of Governments  
Tim Heng, Taylor Creek Fly Shop  
John Henz, HDR-Hydro-Met Services  
Lori Hogan, Glenwood Springs Chamber of Commerce  
Bill Johnson, US Forest Service  
Susi Larson, Whitewater Rafting, LLC  
Lee Leavenworth, Leavenworth & Karp, P.C.  
Rick Lofaro, Roaring Fork Conservancy  
Alan Martellaro, Colorado Division of Water Resources  
John Martin, Garfield County Commissioner  
Jean Martensen, Glenwood Springs City Council  
Greg Masse, Glenwood Springs Post Independent  
Claude Masson, Ramada Inn  
Heather McGregor, Glenwood Springs Post Independent  
Erin McIntyre, Daily Sentinel  
Bart Miller, Land & Water Fund of the Rockies  
Jeff Neer, Canyon Bikes  
Bill Ner, Xcel Energy  
James Newberry, Grand County Commissioner  
Kevin Patrick, Patrick, Miller & Kropf, P.C.  
Richard Proctor, Grand Valley Water User's Association  
Randy Rhodes, Xcel Energy  
Jim Rooks, Orchard Mesa Irrigation District  
Bill Sappington, City of Rifle

Judy Sappington, Colorado Division of Water Resources

Gene Schleiger, Northern Colorado Water Conservancy District  
Kevin Schneider, Rock Gardens  
Bob Spears, Former CRWCD Director  
Holly Stephens, Office of Congressman McInnis  
Ron Thomasson, Bureau of Reclamation  
Brent Uilenberg, Bureau of Reclamation  
Bill Valdeeny, HDR-Hydro-Met Services  
Jack Van Horn, Mad Adventures  
Marc Waage, Denver Water  
Ana Willem, C.O.R.E.

**Quorum.**

President Ohri found a quorum and called the meeting to order at 9:00 a.m.

**Review Agenda and Meeting Objectives.**

Eric Kuhn announced that item 13.b., Presentation by Jim Lochhead on Colorado River Basin Issues, will be removed from the agenda as Mr. Lochhead is not available. Peter Fleming requested the addition of the following agenda items under the General Counsel's Report: 12. a. xiii. Personnel Item; 12 b. v. Holland & Hart Fees; and 12. c. vi. Changes to the Employment Policies and Procedural Guidelines. Eric Kuhn requested that items 11. b. & c. be transposed to allow more time for the arrival of Director Hall. Agenda additions and changes were accepted.

**Report and Presentation of Credentials of Directors for Garfield, Gunnison, Ouray and Rio Blanco Counties.**

Director Dickinson moved, seconded by Director Collins, to accept the credentials of Directors Hunt (Garfield County), Trampe (Gunnison County), Ferguson (Ouray County) and Smith (Rio Blanco County). Motion carried unanimously. The credentials are attached as Appendices A - D.

**Election of President for 2003.**

Director Kasper moved, seconded by Director Dunlop, to retain Paul Ohri as President and Stephen Mathis as Vice President of the Board of Directors for 2003. Motion carried unanimously.

**Resolutions.**

Director Mathis moved, seconded by Director Dickinson, to approve a Resolution expressing the Board's appreciation to Marlene Zanetell for her service as a Colorado River Water Conservation District Director. The motion carried unanimously. The Resolution is attached as Appendix E.

**Appointment of Committees for 2003.**

**Executive Committee:**

Eric Kuhn described the composition and selection of the CRWCD Executive Committee. Following historical rotation, the 2003 Executive Committee will be comprised of directors from the following counties: Delta, Eagle, Moffat, Pitkin and Saguache. Grand County will also be included this year because the President is from Grand County. There being no concerns expressed regarding the committee's rotation and selection, President Ohri appointed the following Directors to the Executive Committee for 2003: Peter A. Kasper, Thomas C. Stone, T. Wright Dickinson, Thomas S. Dunlop and Wade Collins. President Ohri will serve as ex-officio.

**Other Standing Committees:**

President Ohri requested that Directors indicate on the 2003 committee selection form the committees on which they would like to serve. President Ohri indicated that he would consider the requests and appoint committee members.

**Designation of Location for Posting Notices and Agendas.**

Director Ferguson moved, seconded by Director Kasper, to post meeting notices and agendas outside the District's office door and on the CRWCD website, and to mail and/or email notices and agendas to the District's 15 County Commissioner Boards, County Clerks, and, as required by the District's bylaws, to any person who requests to receive such notices and/or agendas. Motion carried unanimously.

**Annual Staffing Determinations.**

Director Smith moved, seconded by Directors Mathis and Dunlop, to reappoint the following District positions for 2003: Richard Eric Kuhn as Secretary/General Manager, Peter Fleming as General Counsel and Steve Lampman as Treasurer. The motion further provided that reappointments of those positions occur annually and that those officers and employees serve at the pleasure of the Board. Motion passed unanimously.

Director Dickinson moved, seconded by Director Collins, to accept the appointment by the Secretary/General Manager of David Merritt as Assistant Secretary. Motion carried unanimously.

**Approval of Minutes and Actions Taken.**

Director Hunt moved, seconded by Director Dewey, to approve the minutes and actions taken of the Legislative Issues Committee Meeting, March 7, 2002. Motion carried unanimously.

Director Hunt moved, seconded by Director Dewey, to approve the minutes and actions taken of the Legislative Issues Committee Meeting, Telephone Conference, March 21, 2002. Motion carried unanimously.

Director Hunt moved, seconded by Director Dewey, to approve the minutes and actions taken of the Legislative Issues Committee Meeting, Telephone Conference, April 25, 2002. Motion carried unanimously.

Director Ferguson moved, seconded by Director Kasper, to approve the minutes and actions taken of the Fourth Regular Quarterly Meeting, October 15-16, 2002. Motion carried unanimously.

Director Hunt moved, seconded by Director Mathis, to approve the minutes and actions taken of the Special Joint Meeting, Telephone Conference, December 6, 2002. Motion carried unanimously.

**Legislative Issues.**

**State Affairs:**

Chris Treese reminded the Board that they will be hosting a reception for State legislators on March 25, 2003 from 5:30 to 7:30 p.m. in Denver. More information will be forthcoming. Mr. Treese noted that Douglas Bruce has reintroduced a new version of the failed 2000 tax-cut initiative, Amendment 21, which, if passed, would severely impact state and local government spending.

**SB 03-033 CONCERNING MANAGEMENT OF PUBLIC RECORDS BY GOVERNMENTAL ENTITIES** Mr. Treese noted that staff will continue to monitor SB 03-033 for the interest of those districts who do not have a professional records manager.

Subsequent to the overview of the bills proposed for the consent agenda by Mr. Treese, several were removed for further discussion.

Director Mathis moved, seconded by Director Stone, to approve the recommended positions to **monitor SB 03-002** and **SB 03-033** and to **support SB 03-45, HB 03-1005, HB 03-1092 and HB 03-1100**. Motion carried unanimously.

**SB 03-026 CONCERNING A PROHIBITION ON THE USE OF CYANIDE ORE-PRODUCING REAGENTS WHEN MINING PRECIOUS METALS**

Mr. Treese announced that on January 20, 2003, SB 03-026 was postponed indefinitely.

**SB 03-047 CONCERNING THE WATER RESOURCES REVIEW COMMITTEE**

Director Ferguson moved, seconded by Director Dickinson, to **support SB 03-047**. Motion carried unanimously.

**SB 03-073 CONCERNING AN INCREASE IN THE STATE ENGINEER'S AUTHORITY TO APPROVE THE USE OF WATER**

Director Long moved, seconded by Directors Dickinson and Trampe, to **monitor SB 03-073**. Motion carried unanimously.

**SB 03-085 CONCERNING THE STATE ENGINEER'S AUTHORITY TO APPROVE TEMPORARY LOANS OF WATER RIGHTS**

Mr. Treese outlined several of the proposed amendments, including that the loan of water to instream flow rights can only occur during times of declared drought and that the Division Engineer may approve the loan of agricultural rights if certain conditions are met, including notice, statement of consumptive use, and water is not diverted more than 100 feet from the bank of the nearest stream.

Director Dickinson moved, seconded by Director Ferguson, to **support in concept SB 03-085** with an amendment giving the State Engineer direction to determine injury and administrative oversight. Directors voting in favor of motion: Collins, Dewey, Dickinson, Dunlop, Ferguson, Hunt, Kasper, Long, Mathis, Ohri, Smith, Stone and Trampe. Director voting against the motion: Sharp. The motion carried.

**SB 03-087 CONCERNING THE IMPROVEMENT OF URBAN WATER USE EFFICIENCY, AND MAKING AN APPROPRIATION IN CONNECTION THEREWITH**

This bill requires large water providers to develop urban water efficiency plans by 2005 to reduce, by 2008, average annual system-wide per capital use by 20% or meet a target for system-wide use of 190 gallons/day/capita, and requires local governments to prohibit new covenants that do not allow drought-tolerant landscapes.

Director Long moved, seconded by Directors Kasper and Dunlop, to **support SB 03-087** and to continue to monitor the bill closely to ensure that no amendments are made to the time line and usage goals. Motion carried unanimously.

**SB 03-090 CONCERNING THE STANDARDS APPLICABLE TO DETERMINATIONS IN PROCEEDINGS INVOLVING WATER RIGHTS**

Mr. Treese stated that this bill was poorly written and probably will not pass out of committee.

Director Ferguson moved, seconded by Director Dickinson, to **oppose SB 03-090**. Motion carried unanimously.

**SB 03-094 CONCERNING THE INCLUSION OF A MANDATORY WATER SUPPLY ELEMENT IN THE MASTER PLANS OF THOSE LOCAL GOVERNMENTS REQUIRED TO ADOPT A MASTER PLAN**

Mr. Treese reported that although this bill does not address the financing required to comply at the local level, the financing question has been raised.

Director Hunt moved, seconded by Directors Collins, Dunlop and Trampe, to support **SB 03-094**. Motion carried unanimously.

**HB 03-1001 CONCERNING INCREASED FLEXIBILITY IN THE USE OF WATER RESOURCES**

Mr. Treese noted that the provision of this bill the authorizing the CWCB to spend \$3 million on the Statewide Water Supply Initiative is controversial and would probably be moved to the CWCB construction fund bill.

Director Dickinson moved, seconded by Director Mathis, to **support HB 03-1001**. Directors voting in favor of the motion: Collins, Dewey, Dickinson, Dunlop, Ferguson, Hunt, Kasper, Long, Mathis, Ohri, Sharp, Stone and Trampe. Director voting against the motion: Smith. The motion carried.

**HB 03-1003 CONCERNING CIVIL LIABILITY CERTAIN AGRICULTURAL RECREATION ACTIVITIES**

Director Dickinson moved, seconded by Director Trampe, to **support HB 03-1003** and seek amendments to protect ditch owners who voluntarily allow recreational access. Motion carried unanimously.

**HB 03-1008 CONCERNING CONSERVATION EASEMENTS FOR APPURTENANT WATER RIGHTS**

Extensive discussion ensued on several points, including the need for legal clarification of the right of a property holder to create a conservation easement with an existing water right.

Director Mathis moved, seconded by Director Dickinson, to **support in concept HB 03-1008**. Motion carried unanimously.

**HB 03-1090 CONCERNING DEVELOPMENT OF THE DENVER BASIN AQUIFERS**

Director Ferguson moved, seconded by Director Long, to **support in concept HB 03-1090**, with amendments to protect CRWCD partnerships, such as the South Metro Study and the Eagle River Assembly. Motion carried unanimously.

**HB 03-1096 CONCERNING FACILITATION OF THE PUMPING OF GROUND WATER PRODUCED PURSUANT TO THE MINING OF MINERALS**

Director Kasper moved, seconded by Director Mathis, to **oppose HB 03-1096**. Motion carried unanimously.

**HB 03-1113 BASIN OF ORIGIN COMPENSATION**

Director Long moved, seconded by Director Trampe, to **oppose HB 03-1113**. Motion carried unanimously.

**HB 03-1120 CONCERNING WATER CONSERVATION MEASURES**

Director Dickinson moved, seconded by Director Long, to **support HB 03-1120**. Motion carried unanimously.

**HB 03-1146 CONCERNING AN EXPANSION OF WATER JUDGES' JURISDICTION TO ADDRESS THE EFFECTS OF A CHANGE OF A WATER RIGHT ON WATER QUALITY**

Mr. Treese presented a summary of HB 03-1146 which would authorize water judges to include in a decree for a change of water right, terms which would prohibit the change from adversely affecting the quality of water of downstream appropriators.

Director Dickinson moved, seconded by Director Trampe, to **oppose HB 03-1146**. Directors voting in favor of the motion: Collins, Dewey, Dickinson, Ferguson, Hunt, Kasper, Long, Mathis, Ohri, Sharp, Smith, Stone and Trampe. Director voting against the motion: Dunlop. The motion carried.

**Schedule for Board Updates:**

Mr. Treese reminded the Board that the Legislative Affairs Committee was dissolved last year. The full board will meet about every two weeks during Colorado's legislative session to discuss legislative issues. Accordingly, conference calls have initially been scheduled for noon on January 31st, February 14th, and February 28th. Updates will be provided to Directors prior to each conference call.

**Proposed Constituent Survey:**

Peter Roessmann brought the Board's attention to his January 6, 2003 memo which included three sample polls including questions addressing areas such as general knowledge of the CRWCD, general water issues, and specific water solutions.

Director Dickinson moved, seconded by Director Stone, to create a committee of five directors to explore and develop a detailed plan to conduct a CRWCD sponsored survey and to give the committee the authority to contract with a professional organization to conduct the survey. Motion carried unanimously.

**Referendum 4A:**

Bob Spears noted that 45% of the voters voted in favor of the referendum which is remarkable given the time and financial limitations.

Mr. Treese reminded the Board that his December 2, 2002 memo provided a synopsis and analysis of the campaign and his January 7, 2003 memo provided an analysis of alternative paths for any future efforts. A full discussion of issues such as capital financing alternatives, voter approval of a mill levy increase, and the question of TABOR compliance will be conducted at a future board meeting. Staff was directed to prepare a decision tree.

**Drought Issues.**

**Presentation:**

John Henz and Bill Valdeeny, HDR-Hydro-Met Services, gave a presentation on past weather patterns and future forecasts for the Colorado River Basin during the time frame of February to May 2003.

**Winter Operations on the Gunnison River:**

Eric Kuhn noted that the contract with Redlands Water & Power Company to remove the Redlands call this winter has allowed for much needed upstream water storage.

**Shoshone Call/Winter Operations on the Colorado River:**

Eric Kuhn provided an account of the historical operations and future considerations of the Shoshone Hydroelectric Power Plant. Subsequent discussions included temporarily reducing the amount of Colorado River water called through the Shoshone Hydroelectric Power Plant in order to maximize the amount of water that can be stored in upstream reservoirs and the compensation to Xcel Energy for loss of revenue cause by its decreased ability to generate power with its hydroelectric turbines. Issues of greatest concern included the possibility of negative effects on downstream water quality and setting a precedence.

The Board heard from numerous members of the public, several water users as well as legal representatives of water users who would be directly affected by a Shoshone call reduction.

Director Hunt moved, seconded by Director Mathis, to continue to monitor the discussions on a Shoshone Hydroelectric Power Plant call reduction, and, rather than putting an agreement together prior to March 1, 2003, focus efforts on monitoring the weather conditions in late March and early April and the effects of the snowpack and runoff. Motion carried unanimously.

#### **General Counsel's Report.**

Peter Fleming reported that the following matters involving litigation and negotiation should be discussed in Executive Session:

- a. Diligence Matters
- b. C-BT Project Issues
- c. Blue River Decree Issues
- d. Proposed Colorado Springs Utilities Substitution Agreement
- e. Eagle River MOU
- f. Black Canyon Reserved Right Case
- g. Gunnison Basin - Aspinall Subordination Implementation
- h. UGRWCD Recreational In-Channel Diversion (02CW38)
- i. Little Snake Issues
- j. Division No. 2 U.S. Forest Service Reserved Rights Case
- k. Shoshone Call Reduction
- l. Windy Gap Firing Project
- m. Personnel Item

Director Kasper moved, seconded by Director Mathis, to proceed into Executive Session pursuant to C.R.S. §§ 24-6-402(4)(b) (legal advice), (e) (negotiations), and (f) (personnel) to discuss pending and potential litigation cases and negotiations and personnel matters. Motion carried unanimously.

The Board convened into Executive Session at 3:30 p.m.

#### **Executive Session:**

President Ohri recessed the meeting at 6:20 p.m

#### **January 22, 2003**

President Ohri reconvened the meeting in Executive Session on Wednesday, January 22, 2003, at 7:30 a.m.

President Ohri reconvened the meeting into Public Session at 8:30 a.m.

#### **General Counsel's Report Public Session (continued).**

**Summary from the Executive Session:**

Peter Fleming reported that the Board discussed the following matters in Executive Session:

- a. Diligence Matters
- b. C-BT Project Issues
- c. Blue River Decree Issues
- d. Proposed Colorado Springs Utilities Substitution Agreement
- e. Eagle River MOU Issues Regarding Water Development
- f. Black Canyon Reserved Rights Case
- g. Gunnison Basin - Aspinall Subordination Implementation
- h. UGRWCD Recreational In-Channel Diversion (02CW38)
- i. Little Snake Issues
- j. Division No. 2 U.S. Forest Service Reserved Rights Case
- m. Personnel Item

**Action Items from Executive Session:**

Peter Fleming stated that during Executive Session, staff received guidance and direction on the negotiation of Blue River decree issues, the Colorado Springs Utilities substitution agreement, the Black Canyon National Monument reserved rights case, and the Division 2 reserved rights case. Mr. Fleming further stated that the Board discussed the adoption of a resolution regarding conditional water rights.

Director Kasper moved, seconded by Director Mathis, to adopt the resolution regarding the conditional water rights as presented. Motion carried unanimously. The Resolution is attached as Appendix F.

Director Sharp moved, seconded by Director Trampe, to authorize staff to enter into a contract with Mussetter Engineering regarding a second scope of work in the Black Canyon National Monument reserved rights case, not to exceed \$90,000.00. Motion carried unanimously.

Director Trampe moved, seconded by Director Mathis, to authorize staff to file an application to adjudicate the River District's 20,000 acre foot portion of Aspinall Subordination Agreement that agreement. Motion carried unanimously.

**Agenda Addition:**

Peter Fleming requested the addition of an item to the agenda under the General Counsel's Public Session, 12. b., Statement of Opposition, Case# 02CW365, Water Division 5.

Director Ferguson moved, seconded by Director Trampe to approve the addition to the agenda. Motion carried unanimously.

**Statement of Opposition, Case #02CW365:**

This case concerns an application for water rights filed by the Southeastern Colorado Water Conservancy District.

Director Mathis moved, seconded by Director Trampe, to file a Statement of Opposition in Case# 02CW365. Motion carried unanimously.

**Open Meetings Act Case (Costilla County):**

Peter Fleming updated the Board on a recent court finding which clarified the Open Meeting's Law and reminded the Board that they must comply with the public notice requirement when eight or more Board members are expected to attend a meeting for the purpose of discussing public business, even if the meeting is called and/or organized by other persons or entities.

**Holland & Hart Rate Increase:**

Director Long moved, seconded by Director Hall, to accept an hourly rate change from \$250 to \$270 per hour for the services provided by Holland & Hart, LLP. Motion carried unanimously.

**Water Quality Issues:**

Jill McConaughy brought to the Board's attention her memo dated January 17, 2003, as an update on water quality matters and noted that a triennial review of the upper and lower Colorado River basins (Regulations 33 & 37) will be held in Glenwood Springs in July 2003.

**Consent Agenda:**

Peter Fleming reminded the Board that information regarding each item on the consent agenda was included in the quarterly attorney report which each Director received by mail and proposed that the Board approve the following items:

- a. West Divide Water Conservancy District Agreement (para. II.B.).
- b. Retention of Balcomb & Green as Special Legal Counsel and Revision of CRWCD Policy Regarding Special Legal Counsel (para. II.C.).
- c. Larry Cobb Rate Change (para. II.D.).
- d. Continued Cooperative Agreement for Services of Jim Lochhead (*See* General Manager's Report).
- e. Stipulation in Application of Vidler Tunnel Company (Case No. 5-01CW177) (para. IV.E.1.).
- f. Changes to the Employee Handbook

Director Ferguson moved, seconded by Director Hall, to approve the items on the consent agenda. Motion carried unanimously.

**General Manager's Report.**

Eric Kuhn noted that extraordinary measures were taken last summer to ensure critical water demands, including Green Mountain Reservoir contracts, were met. Throughout Colorado, only a few small reservoirs filled and available spring flows yielded 10-30% of normal. Going into the winter of 2002/2003, reservoirs throughout Colorado are at very low levels, some approaching "dead" storage. It will likely take several average and above-average winter snowfalls to recover reservoir levels, soil moisture and base stream flows.

Mr. Kuhn encouraged the Directors to review the General Manager's Quarterly Report and contact him with questions or comments.

Mr. Kuhn brought the Board's attention to the information provided by Jim Lochhead regarding the California 4.4 Plan and the Imperial Irrigation District and reminded the Board of the complicated issues.

**Schedule for 2003:**

Mr. Kuhn noted that Quarterly Board meetings will continue to be held the third Tuesday and Wednesday of January, April, July and October, with the option to change the days to Monday and Tuesday, if so desired. On Wednesday, March 12 an Executive Committee Meeting will convene, followed by a Special Joint Board Meeting beginning at 11:00 a.m. In addition, a spring tour may be conducted in late May or early June and a budget workshop in September. Other meetings include the CWC Winter Convention, January 23-24; CRWCD Legislative Reception, March 25; CWC Summer Convention, August 22-23; and the Colorado River Water Users Association Convention, December 11-12.

**Employment Policies and Procedural Guidelines:**

Director Dunlop moved, seconded by Director Kasper, to add the item "Employment Policies and Procedures" to the agenda. Motion carried unanimously.

Director Dunlop moved, seconded by Director Kasper, to ratify the changes made to the Employment Policies and Procedures Handbook. Motion carried unanimously.

**Healthcare Costs:**

Laura Hines gave a presentation on the continually increasing costs in healthcare and the recent changes to the Western Slope Health Care Group benefit plan. These changes will go into effect on March 1, 2003.

**Service Anniversary Recognition:**

Eric Kuhn recognized Earline West for 20 years of service to the CRWCD.

**Salary Adjustment for General Manager and General Counsel.**

Director Hall moved, seconded by Directors Hunt and Long, to increase the General Manager and General Counsel annual salary by 3%, effective with the January 2003 pay period. Motion carried unanimously.

President Ohri, speaking on behalf of the Board, acknowledged the exceptional performance by the General Manager and General Counsel during the difficult and unique challenges of 2002 and awarded them each a \$1,500.00 bonus.

**Project Status Report.**

**Douglas County Study:**

Jim Pearce reported that the South Metro Water Supply Study is using a calibrated model to evaluate different water supply alternatives for the water providers in Douglas and Arapahoe Counties.

**Endangered Species:**

Dan Birch provided a brief update on the District's research regarding peak flow needs in the 15-Mile Reach. He reported that the focus of activities had shifted from field research and report preparation to participation in the Recovery Program's efforts to prioritize research activities. Staff hopes that the Recovery Program will adopt the District's methods and approach for estimating peak flow needs. He also stated that staff would be meeting in January with the District's cost-sharing partners in an attempt to secure their cost-shares for the upcoming year.

**Big Straw and Colorado Water Supply Initiative Studies:**

Eric Kuhn reported that the Colorado Water Conservation Board is proceeding with the selection of consultants to conduct the "Big Straw" and Statewide Water Supply Initiative (SWSI) Studies and that funding for these major undertakings will be in legislation. Using a map of the historical precipitation in Colorado, Mr. Kuhn reported on current water development in the Colorado River headwaters and stressed that educating the public on these and associated issues has become a CRWCD priority.

**Financial Actions.**

**Treasurer's Reports for September, October and November 2002:**

Cheryl Dunlap briefed the Board on the financial reports and noted that travel and education expenses slightly exceeded the budgeted amount.

Director Hunt moved, seconded by Director Trampe, to accept and approve the Treasurer's Reports for September, October and November 2002. Motion carried unanimously.

**Financial Policies and Procedures - Table of Contents:**

Eric Kuhn noted that the Accounting Policies and Procedures Manual is nearing completion and will soon be available for review. In addition, a 2002 GASB Management's Discussion and Analysis (MD&A) letter required for the 2002 annual audit is nearly complete and CRWCD treasurer, Steve Lampman, has restated the 2001 audit to conform to GASB 34 standards.

**Gunnison Basin Issues.**

**Presentation by Bart Miller on Land and Water Report:**

Included in Mr. Miller's presentation were explanations on how the Gunnison River watershed works, the yield of the basin, and how that water is used, both in and out-of-stream. Both the basin's historical and future plans were highlighted.

**Options for a Programmatic Biological Opinion:**

Mr. Kuhn brought to the Board's attention a discussion paper by Tom Pitts which outlined options for compliance by water projects in the Gunnison Basin with the Endangered Species Act. Mr. Kuhn noted that progress on the Programmatic Biological Opinion in the Gunnison Basin has been slowed due to the issues associated with the quantification of the Black Canyon reserved right case and the increment of future depletions allowance.

**Ranch Creek Project/Response to Request for Assignment of Rights.**

President Ohri provided the historical background of the proposed Ranch Creek project and an update of more recent discussions between the interested parties. Following statements and discussions with several members of the public directly involved in the proposed project, the following motion was made:

Director Long moved, seconded by Director Stone, to deny the present request to transfer any of the Ranch Creek water rights and to direct staff to continue to address water supply issues in the Fraser Valley for the long-term solutions and to see how these rights fit in while we hold on to these rights. Following a brief discussion, Director Long suggested the motion be altered by changing the word "deny" to "postpone indefinitely." Language change was accepted by Director Stone. Motion carried unanimously.

**Division Engineer/USGS Reports.**

Allan Martellaro, Division 5 Engineer, reported that state funding for his organization is expected to be reduced by 10% next year and that well permit fees and plan administration costs may need to be increased to make up for the financial shortages.

Paul von Guerard, United States Geological Survey, provided handouts which listed the December 2002 streamflow for the Upper Colorado River Basin and the precipitation history of the Colorado plateau for the years 1900-2000.

**Federal Issues.**

Following a brief discussion, staff was directed to prepare a letter suggesting streamlining the process for public input during the decision-making process regarding national forest management.

**Adjourn.**

There being no further business before the Board, President Ohri adjourned the meeting at 12:01 p.m.

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Paul Ohri, President

ATTEST:

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R. Eric Kuhn, Secretary/General Manager

*Executive Session Attestations.*

*I hereby attest that the portions of the Executive Session that were not recorded constituted privileged attorney-client communications.*

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*Peter Fleming, General Counsel*

*I hereby attest that the portions of the Executive Session that were not recorded was confined to the topics authorized for discussion in Executive Session.*

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*Paul Ohri, President*

